

11/037/088

FAX TRANSMISSION

GOCHNOUR & ASSOCIATES, INC.

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To: Tony Gallegos - UDOG&M **Date:** December 26, 1996 14:39
Fax #: 801-359-3940 **Pages:** 11, including this cover sheet.
From: Lee "Pat" Gochmour
Subject: Draft Reclamation Contract & Proposed Surety Form - Lisbon Valley Project

COMMENTS:

Mr. Gallegos:

Attached please find the above referenced forms (and typed in information). The information provided addresses your most recent comments to a Draft of this document provided to you on 12/23/96. Please review this information. If you have additional questions or edits, please give me a call at the listed number. I would like to send this to Summo for signature and notary as soon as possible. Your prompt review and edit is greatly appreciated.

Thanks for your efforts and assistance.

Pat G.!

cc - Bob Prescott - Summo

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To: Tony Gallegos - UDOG&M **Date:** December 26, 1996
Fax #: 801-359-3940 **Pages:** 3, including this cover sheet.
From: Lee "Pat" Gochnour
Subject: Reclamation Bond Calculation, Response to Questions - Lisbon Valley Project

COMMENTS:

Mr. Gallegos:

Attached please find Summo's response letter addressing questions from the Division on the above referenced subject. Please call if you have additional questions, or need further clarification.

Thanks,

Pat G.

Pat G.!

cc - Bob Prescott - Summo

GOCHNOUR & ASSOCIATES, INC.

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December 26, 1996

Mr. Anthony Gallegos
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Summo USA Corporation, Lisbon Valley Project

Mr. Gallegos:

Pursuant to my earlier commitment to provide you with additional information, please find a written explanation for reclamation calculations submitted to Division of Oil Gas and Mining (Division) for the Lisbon Valley Project. The responses provided address specific questions the Division relayed to me on December 10, 1996.

PAGE ONE OF ESTIMATE

Question #1 - The acreage difference was due to increase in areas associated with regrading. These numbers have been made the same to minimize/eliminate confusion.

Question #2 - The main reason there was a difference dealt with regrading vs. the perimeter liner and buffer zone around the pad. The smaller acreage deals with the actual area of (ore) neutralization, material covering, etc.

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Question #3 - The primary difference in haul road acreage deals with acres inside pits, on the waste dumps and other areas that have disturbance accounted for (ie., leach pad, crusher area, stockpile, etc.). The smaller number associated with the reclamation treatments map is for stand alone haul roads between facilities.

Question #4 - Line Item 42 deals with revegetation of the ditches/sediment ponds and the work necessary to make the sediment ponds free draining once reclamation activities are complete.

Question #5 - The costs associated with Line Item 22 on this page have been removed. The minor disturbance associated with power line construction will be reclaimed before Utah Power and Light (UPL) leaves the site as part of the contract to construct. In addition, UPL has requested that this line remain after mining activities have ceased, in order to continue to provide service to other (and future) users in the Lisbon Valley area.

PAGE THREE OF ESTIMATE

Question #6 - Line Item 21 deals with dismantling and removal of structures. Debris of no value that does not represent an environmental hazard (ie., concrete) will be broken up and buried in place.

Question #7 - Line Item 24 has been removed. This item was a carry over from the last estimate/bid that our contractor (The Winters Company) had to provide.

Question #8 - Line Item 26, Engineering deals with the preparation of bid documents, drawings, and minor permits (equipment hauling, etc.). This has been budgeted at ~5% of the reclamation estimate.

Division of Oil, Gas & Mining

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December 26, 1996

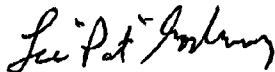
Question #9 - Line Item 28, is intended to cover maintenance of the reclamation bond, and at least three years of quarterly water quality and vegetation monitoring. Should additional efforts be needed, this is covered in our proposed 10% contingency.

Question #10 - Summo has provided a revised estimated area calculation worksheet and sketch that addresses a missing topsoil stockpile north of the leach pad. The three areas labeled A, B, and C represent the process pond area.

Question #11 - See response provided for on Question #9.

This should satisfy the final remaining information needs discuss in the Divisions 12/10/96 Memo and verbal correspondence to Summo. If you have additional questions or needs, please contact me at the listed letterhead number.

Sincerely,



Lee "Pat" Gochnour
Principal

cc: Mr. Robert Prescott - Summo USA Corporation